

HOUSE BILL 325

C7

EMERGENCY BILL

2lr1528
CF SB 10

By: **Delegates Conway and McDermott**

Introduced and read first time: January 30, 2012

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Slot Machines for Nonprofit Organizations on the Eastern Shore – Uses of**
3 **Proceeds**

4 FOR the purpose of altering a provision so as to require that one-half of the net after
5 payout proceeds from slot machines operated by certain nonprofit organizations
6 in counties on the Eastern Shore must benefit charities; making this Act an
7 emergency measure; and generally relating to slot machines for nonprofit
8 organizations in certain counties.

9 BY repealing and reenacting, without amendments,
10 Article – Criminal Law
11 Section 12–304(a)
12 Annotated Code of Maryland
13 (2002 Volume and 2011 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Criminal Law
16 Section 12–304(c)
17 Annotated Code of Maryland
18 (2002 Volume and 2011 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
20 MARYLAND, That the Laws of Maryland read as follows:

21 **Article – Criminal Law**

22 12–304.

23 (a) In this section, “eligible organization” means:

24 (1) a nonprofit organization that:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (i) has been located in a county listed in subsection (b) of this
2 section for at least 5 years before the organization applies for a license under
3 subsection (e) of this section; and

4 (ii) is a bona fide:

- 5 1. fraternal organization;
- 6 2. religious organization; or
- 7 3. war veterans' organization; or

8 (2) a nonprofit organization that has been affiliated with a national
9 fraternal organization for less than 5 years and has been located in a county listed in
10 subsection (b) of this section for at least 50 years before the nonprofit organization
11 applies for a license under subsection (e) of this section.

12 (c) (1) In this subsection, a console or set of affixed slot machines is not
13 an individual slot machine.

14 (2) Notwithstanding any other provision of this subtitle, an eligible
15 organization may own and operate a slot machine if the eligible organization:

16 (i) obtains a license under subsection (e) of this section for each
17 slot machine;

18 (ii) owns each slot machine that the eligible organization
19 operates;

20 (iii) owns not more than five slot machines;

21 (iv) locates and operates its slot machines at its principal
22 meeting hall in the county in which the eligible organization is located;

23 (v) does not locate or operate its slot machines in a private
24 commercial facility;

25 (vi) uses:

26 1. at least one-half of the [gross] **NET AFTER PAYOUT**
27 proceeds from its slot machines for the benefit of a charity; and

28 2. the remainder of the proceeds from its slot machines
29 to further the purposes of the eligible organization;

1 (vii) does not use any of the proceeds of the slot machine for the
2 financial benefit of an individual; and

3 (viii) reports annually under affidavit to the State Comptroller:

4 1. the income of each slot machine; and

5 2. the disposition of the income from each slot machine.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency
7 measure, is necessary for the immediate preservation of the public health or safety,
8 has been passed by a ye and nay vote supported by three-fifths of all the members
9 elected to each of the two Houses of the General Assembly, and shall take effect from
10 the date it is enacted.